

OSA-1346-64  
#1243

REPLY TO:  
Auditor General Representative (APL)

25X1A

10 March 1964

SUBJECT: Report on Cost Evaluation of Labor Hour Proposal  
Fairchild Camera and Instrument Corporation  
Syosset, Long Island, New York

TO : Contracting Officer

REF : A Program - Field Service Proposal dated 30 Dec. 1963

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1. In response to request from Mr. [REDACTED] we have reviewed the above referenced cost proposal which provides for field service effort of four men in support of A21-A24 flights. These services are required for the period March 2 through August 10, 1964.

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2. The Contractor proposed a fee of [REDACTED]. Although profit is a matter of determination by the contracting officer, the following recommended rates include profit since it is the auditor's understanding that the contracting officer desires to negotiate a fee of [REDACTED].

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Auditor's Recommended Rates

Engineer      Sr. Tech. Technician      E&D Technician

Above rates include premium for overtime worked and any work performed on a Saturday, Sunday and/or legal holiday.

3. Estimated costs for travel are reasonable. Per diem proposed at \$18. is consistent with the company's travel policy. Car rental costs proposed at \$350 per month is excessive. Considering actual rental costs and contractor's earlier submissions of estimates as subcontractor to IMSC, the auditor recommends for acceptance \$250 per month as an estimate for car rental costs.

DOCUMENT NO. [REDACTED]

NO CHANGE IN CLASS. IF

U. DECLASSIFIED

CLASS. CHANGED TO: IS [REDACTED]

NEXT REVIEW DATE: [REDACTED]

4. The Contractor applied profit to estimated travel, per diem and car rental costs. Attention is directed to section 3-406 of ASPR which provides for application of profit only to direct labor and related overhead costs. It should also be noted that profit was not applied to travel, per diem and car rental costs in all previous labor hour cost proposals submitted by FCIC as subcontractor to IMSC.

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